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## FISCAL IMPACT REPORT

SPONSOR Moore DATE TYPED 2/8/2005 HB 403

SHORT TITLE Water Trust Fund SB \_\_\_\_\_

ANALYST Aguilar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$100,000.0	Indeterminate			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB139

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Office of the State Engineer

### SUMMARY

FOR THE WATER AND NATURAL RESOURCES COMMITTEE

#### Synopsis of Bill

House Bill 403 appropriates \$100 million dollars from the general fund to the Water Trust Fund for the purposes of the Water Project Finance Act.

HB 403 declares an emergency.

#### Significant Issues

The Water Trust Board was created to fund major regional water projects in New Mexico. Ten percent of the severance tax bond sales are set aside for the water trust fund, from which, the Water Trust Board funds its projects.

Section 72-4A-8 NMSA 1978 provides for funds in the Water Trust Fund not to be expended but instead an annual distribution of \$4,000,000 (or 4.7% of the average year end market value of the fund for the past five years if greater than \$4,000,000) to the Water Project Fund for funding water projects.

The Office of the State Engineer reports the Water Trust Board, which oversees the Water Project Fund, received \$814 million in requests for funds in 2004 and the New Mexico Finance Authority estimates that the state has over \$2.5 billion in water project needs

### **FISCAL IMPLICATIONS**

The appropriation of \$100 million dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall not revert to the general fund.

**PAA/njw**